

Submitted for Approval: May 18, 2011

**CITY OF MORGAN HILL
JOINT SPECIAL CITY COUNCIL AND
REDEVELOPMENT AGENCY MEETING
MINUTES- January 26, 2011**

CALL TO ORDER

Mayor Tate called the Special City Council and Redevelopment Agency meeting to order at 6:00 p.m.

ROLL CALL ATTENDANCE

Present: Council Members: Carr, Constantine, Librers, Siebert, Tate
Absent: Council Members:

DECLARATION OF POSTING OF AGENDA

Ms. Wilson certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

CLOSED SESSION:

OPPORTUNITY FOR PUBLIC COMMENT

None

ADJOURN TO CLOSED SESSION

6:03 pm

City Council Action

1. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Pursuant to Government Code 54956.9(a)
Case Name: City of Morgan Hill v. State Water Resources Control Board, et al
Case Number: Santa Clara County Superior Court Case No. 108-CV-127858
Attendees: City Manager; City Attorney

Redevelopment Agency Action

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Authority: Government Code 54956.8
Property: 726-34-006, 225 Cochrane Road
Negotiating Parties:
Agency: Executive Director, Agency Counsel, Interim Director of Public Works
Property Owner: Mary T. Babson
Under Negotiation: Price and Terms of Payment

2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Authority: Government Code 54956.8

- a. Property: 817-06-001, Monterey Road/Llagas Creek
Negotiating Parties:
Agency: Executive Director, Agency Counsel, Interim Director of Public Works
Property Owner: John C. and May-Jih C. Chu
Under Negotiation: Price and Terms of Payment
- b. Property: 817-06-004, 15540 Monterey Road
Negotiating Parties:
Agency: Executive Director, Agency Counsel, Interim Director of Public Works
Property Owner: William Aviles
Under Negotiation: Price and Terms of Payment
- c. Property: 817-06-016, Railroad Avenue, near Fisher
Negotiating Parties:
Agency: Executive Director, Agency Counsel, Interim Director of Public Works
Property Owner: Union Pacific Railroad Company
Under Negotiation: Price and Terms of Payment
- d. Property: 817-07-006, 15490 Railroad Avenue
Negotiating Parties:
Agency: Executive Director, Agency Counsel, Interim Director of Public Works
Property Owner: Abolghassem Khamneipur
Under Negotiation: Price and Terms of Payment
- e. Property: 817-08-017, 15750 Railroad Avenue
Negotiating Parties:
Agency: Executive Director, Agency Counsel, Interim Director of Public Works
Property Owner: Gallo Ventures, Inc.
Under Negotiation: Price and Terms of Payment
- f. Property: 817-08-020, 15770 Railroad Avenue
Negotiating Parties:
Agency: Executive Director, Agency Counsel, Interim Director of Public Works
Property Owner: U-Save Rockery, Inc.
Under Negotiation: Price and Terms of Payment
- g. Property: 817-08-033, 600 Tennant Avenue
Negotiating Parties:
Agency: Executive Director, Agency Counsel, Interim Director of Public Works
Property Owner: Michael and Suzanne Johnson
Under Negotiation: Price and Terms of Payment
- h. Property: 779-04-001, 15440 Monterey Road, 779-04-056, 15440 Monterey Road
Negotiating Parties:
Agency: Executive Director, Agency Counsel, Interim Director of Public Works
Property Owner: Royal Oaks Enterprises
Under Negotiation: Price and Terms of Payment

- i. Property: 825-06-034, Maple/Seymour
825-06-035, Maple/Seymour
825-06-036, Maple/Seymour
825-06-037, Maple/Seymour
825-06-038, Maple/Seymour
825-06-039, Maple/Seymour
825-06-040, Maple/Seymour
825-06-041, Maple/Seymour
825-06-042, Maple/Seymour
825-06-043, Maple/Seymour
Negotiating Parties:
Agency: Executive Director, Agency Counsel, Interim Director of Public Works
Property Owner: Costa Family Partners
Under Negotiation: Price and Terms of Payment
- j. Property: 825-07-071, Seymour Avenue
Negotiating Parties:
Agency: Executive Director, Agency Counsel, Interim Director of Public Works
Property Owner: Rod and Marci Lake
Under Negotiation: Price and Terms of Payment
- k. Property: 817-07-007, Railroad/Fisher
Negotiating Parties:
Agency: Executive Director, Agency Counsel, Interim Director of Public Works
Property Owner: Ray-Will Investments, Inc.
Under Negotiation: Price and Terms of Payment
- l. Property: 817-08-009, 515 Fisher Avenue
Negotiating Parties:
Agency: Executive Director, Agency Counsel, Interim Director of Public Works
Property Owner: Ling Trust
Under Negotiation: Price and Terms of Payment
- m. Property: 817-07-021, 610 Fisher Avenue
Negotiating Parties:
Agency: Executive Director, Agency Counsel, Interim Director of Public Works
Property Owner: Lieu Quan Investments, LLC
Under Negotiation: Price and Terms of Payment
- n. Property: 817-06-005, 15570 Monterey Road
Negotiating Parties:
Agency: Executive Director, Agency Counsel, Interim Director of Public Works
Property Owner: Yun Tsui and Sandra Joe
Under Negotiation: Price and Terms of Payment

RECONVENE

Mayor/Chair Tate reconvened the Regular City Council and Redevelopment Agency meeting at 7:06 p.m.

CLOSED SESSION ANNOUNCEMENT

City Attorney Wan reported that no reportable action was taken during closed session.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Council Member Librers spoke of the sister cities group and the gifts that they put together for the four sister cities

PROCLAMATIONS / RECOGNITIONS / INTRODUCTIONS

Mayor Tate presented Tom Tanner with the Red Cross with the proclamation for Blood donor month, proclaiming January as Blood Donor Month.

Tom Tanner spoke to the shortage of blood throughout the nation and if you can give there is even more need for it now. He spoke to the upcoming blood drives that are planned in the area.

The Mayor thanked Mr. Tanner for being a part of the Red Cross and thanked the Red Cross for their service.

CITY MANAGER'S REPORT

City Manager Tewes spoke regarding the agenda order; he recommended the reversal of items 25 and 26. He advised that a number of members of the senior task force will be attending after 8:30 pm.

He advised Council and the citizens about the continued interest in employee compensation.

He advised Council that Brian Stott, Assistant to the City Manager and Human Resources Director will be out of the office due to the birth of his second child.

CITY ATTORNEY'S REPORT

City Attorney Wan had no reports.

OTHER REPORTS

Council Member Carr reported regarding a Cal-Train meeting that he attended regarding the issues relating to Cal-Train. They have a serious budget deficit that would eliminate service south of San Jose by July 1, 2011. Our involvement in this coalition is very important as we keep a voice for South County. He concluded that other than himself and City staff there was no representation for South County.

PUBLIC COMMENT

Mayor/Chair Tate opened the floor to public comment at 7:16 pm.

Pravin Lathigara spoke regarding the Santa Teresa Blvd extension project. He reiterated that he feels that we do not need the extension, he urged Council to reconsider the extension.

Jane Doe spoke regarding Chemtrails, spraying or chemicals. She spoke to the aircrafts and there not being commercial aircrafts. She spoke to our rights as human rights. Chemtrails are an environmental issue of great magnitude. She continued to speak of soil contamination and perchlorate. She would like it stopped and have the guilty parties held accountable. She then spoke to water pollution and the great care to protect our water.

Hearing no further requests to speak the public comment was closed at 7:21 pm.

City Council and Redevelopment Agency Action

CONSENT CALENDAR:

Action: On a motion by Agency Member Carr and seconded by Agency Member Constantine **Approving** the City Council, Redevelopment Agency and Joint City Council and Redevelopment Agency Consent Calendar Items 1-16, and 18. The motion passed by the following vote: Ayes: 5; Noes: 0; Absent: 0.

City Council Action

CONSENT CALENDAR:

1. **MANAGEMENT PROFESSIONAL AND CONFIDENTIAL EMPLOYEES RESOLUTION**
Recommended Action(s): Approve Resolution 6381amending Resolution 6363, "Selected Salary Ranges and Job Titles for Management Professional and Confidential Employees", to reflect a change in the title of the Police Commander job classification to Police Captain.
2. **DECEMBER 2010 FINANCIAL & INVESTMENT REPORTS**
Recommended Action(s): Accept and file report.
3. **FISCAL YEAR 2010-11 MID-YEAR BUDGET AMENDMENTS**
Recommended Action(s): Approve the recommended FY 2010-11 budget amendments.
4. **FISCAL YEAR 2011-12 OPERATING AND CAPITAL IMPROVEMENT BUDGET SCHEDULE**
Recommended Action(s): Approve the recommended FY 2011-12 budget schedule.

5. **SECOND AMENDMENT TO THE CAL ID MOU**

Recommended Action(s):

1. **Adopt** Resolution 6382 authorizing the City Manager to sign the Second Amendment to the Memorandum of Understanding (MOU) to provide local agency access to the California Identification System (CAL ID); and
2. **Authorize** expenditure of \$19,829 as Morgan Hill's contribution to the Santa Clara County CAL-ID RAN Policy Board.

6. **COMMUNITY LAW ENFORCEMENT FOUNDATION OF MORGAN HILL DONATION**

Recommended Action(s):

1. **Adopt** Resolution 6383 accepting a donation from the Community Law Enforcement Foundation of Morgan Hill for the purchase of a Night Time Optical Thermal Imaging Camera; and
2. **Appropriate** \$4,502.07 for the purchase of the Night Time Optical Thermal Imaging Camera.

7. **COMMUNITY LAW ENFORCEMENT FOUNDATION DONATION**

Recommended Action(s):

1. **Adopt** Resolution 6384 accepting a donation from the Community Law Enforcement Foundation of Morgan Hill for the supplies and materials for the Parent Project; and
2. **Appropriate** \$3,500 for the purchase of supplies and materials for the Parent Project.

8. **UNDERGROUNDING IN-LIEU FEE REIMBURSEMENT FOR COCHRANE ROAD**

Recommended Action(s): **Authorize** reimbursement of \$22,950 to Woodview Warranty Management, Inc. for overhead utility undergrounding work on Cochrane Road.

9. **AMENDED REIMBURSEMENT AGREEMENT WITH MORGAN HILL ASSOCIATES, LLC**

Recommended Action(s):

1. **Approve** the appropriation of \$7,000 from the current year un-appropriated Measure C Public Facilities – Non AB 1600 Fund (346) for additional street work along the frontage of 16615 Del Monte Avenue; and
2. **Approve** the attached Amended Reimbursement Agreement and authorize the City Manager to execute the agreement on behalf of the City subject to the review and approval by the City Attorney.

10. **ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR TRACT 9942, CAPRIANO PHASE 9 & 10**

Recommended Action(s):

1. **Adopt** Resolution 6385 accepting the subdivision improvements included in Tract 9942, commonly known as Capriano Phase 9 & 10; and
2. **Direct** the City Clerk to file a Notice of Completion with the County Recorder's Office.

11. **SOLAR POWER PURCHASE AGREEMENT**

Recommended Action(s): **Accept** report.

12. **PARCEL MAP APPROVAL – CAPRIANO AT TILTON AVENUE**

Recommended Action(s):

1. **Approve** the Parcel Map; and
2. **Authorize** City Clerk to sign the Parcel Map authorizing abandonment of unused easements; and
3. **Authorize** the recordation of the Parcel Map.

13. **FINAL MAP APPROVAL FOR SAN SAVIGNO PHASE 2 TRACT 10065**

Recommended Action(s):

1. **Approve** the Final Map; and
2. **Authorize** the City Clerk to sign the Final Map; and
3. **Authorize** the recordation of Final Map.

14. **APPOINTMENT TO FILL AN UNEXPIRED TERM ON THE PARKS & RECREATION COMMISSION**

Recommended Action(s): **Ratify** the Mayor's appointment of Lisa Aragon to fill an unexpired term on the Parks and Recreation Commission; Term ending April 1, 2014.

Redevelopment Agency Action

CONSENT CALENDAR:

15. **SECOND QUARTERLY REPORT FROM THE MORGAN HILL DOWNTOWN ASSOCIATION (MHDA)**

Recommended Action(s): **Accept** the report for the 2nd quarter of FY 2010/11.

16. **DECEMBER 2010 FINANCIAL & INVESTMENT REPORTS**

Recommended Action(s): **Accept** and file report.

City Council and Redevelopment Agency Action

CONSENT CALENDAR:

17. **REVISED INVESTMENT POLICY**

Recommended Action(s): **Approve** revisions to investment policy.

18. **ACCEPTANCE OF THIRD STREET PUBLIC PARKING LOT**

Recommended Action(s):

1. **Accept** as complete the Third Street Public Parking Lot Project in the final amount of \$100,288.20; and
2. **Direct** the City Clerk to file the attached Notice of Completion with the County Recorder's Office.

19. POTENTIAL EQUIPMENT PURCHASE – iPADS FOR PAPERLESS AGENDA PROCESS

Recommended Action(s):

1. **Authorize** staff to participate in Granicus iLegislate Pilot Project for City Council electronic agenda packets in lieu of paper packets; and
2. **Approve** \$3,360 budget amendment for City Council Computer Hardware Non-Capital (010.1100.42245).

City Council Consent Calendar Items Pulled for Discussion

17. REVISED INVESTMENT POLICY

Recommended Action(s): Approve revisions to investment policy.

Council Member Siebert requested analysis of the checks and balances to come back at a later date.

Council Member Carr clarified Council Member Siebert's request.

Council Member Siebert spoke to his understanding of the policy.

In response to Council Member Carr regarding the internal procedures and controls; City Manager Tewes stated this is generally a policy of our prudential investments. There are a set of internal controls discussed in the policy as well as the ones that are a part of our on-going financial management system. He continued that what Mr. Siebert is questioning is page 161 of the agenda packet that states as required by stated that the City Council must designate certain persons to do the investment and it includes the Treasurer, the Deputy Treasurer and the City Manager. Per his conversation with Mr. Siebert, Mr. Siebert is concerned that if the City Manager makes an investment who would then review those investments. City Manager Tewes pointed out that in his eleven years with the City he has not made any investments.

Action: *On a motion by Council Member Siebert and seconded by Council Member Librers Approving the revisions to investment policy and to bring back the analysis regarding the checks and balances of the policy at a later date The motion passed by the following vote: Ayes: 5; Noes: 0; Absent: 0).*

19. POTENTIAL EQUIPMENT PURCHASE – iPADS FOR PAPERLESS AGENDA PROCESS

Recommended Action(s):

1. **Authorize** staff to participate in Granicus iLegislate Pilot Project for City Council electronic agenda packets in lieu of paper packets; and
2. **Approve** \$3,360 budget amendment for City Council Computer Hardware Non-Capital (010.1100.42245).

City Manager Tewes presented the staff report.

In response to Council Member Constantine regarding the costs; City Manager Tewes stated that we would not have any additional out of pocket expenses.

In response to Council Member Librers regarding the time frame; City Manager Tewes stated that if we were to participate in the pilot program we would have to indicate to Granicus our willingness within a week.

In response to Council Member Librers regarding the cross over and having both the iPad and the hard copy; City Manager Tewes stated that the department heads would be cut off cold turkey, but it is entirely up to the City Council as to how you want to receive the agenda.

In response to Council Member Librers regarding the cost of the application after the pilot; City Manager Tewes Stated there is no cost to purchase the app.

In response to Council Member Librers regarding when the pilot program is complete; City Manager Tewes stated that he does not know what the cost would be at that point.

In response to Council Member Librers as to the term of the pilot program; Confidential Administrative Assistant Wilson stated that the pilot would potentially run a year or more.

In response to Council Member Librers regarding time to budget; City Manager Tewes stated yes.

Confidential Administrative Assistant Wilson stated that the app costs \$.99.

Mayor Tate opened the public comment.

Frank Manocchio commented that he understands the idea, he is wondering why now. He commented to former Council Member Lee wanting to go paperless. He asked if there was a PC version. He continued that we have some serious financial problems heading our way from the State. He feels that the issue is that the Council needs to set an example at this point and show that they are going to hold the line on fiscal responsibility.

Marby Lee thanked Council for embracing the idea of going paperless; she is dismayed that it has taken three years to move forward. Based on previous conversations with staff there were ways to do this with e-readers that were much more cost effective. She feels that many resources could have been saved had this taken place years ago.

Hearing no further requests to speak, the public comment was closed.

Council Member Carr commented that he was one of the people who resisted the paperless agenda. He is still hesitant whether he would find this as a useful tool and he is willing to learn and try. He spoke to the cost savings and feels it sets an example of how to save money in the long run.

Mayor Tate shared Council Member Carr's concerns and feels that it has some advantages but would like to see a demonstration.

In response to Council Member Constantine asking is it possible to table this until we get a demonstration to see the functionality; City Manager Tewes stated yes and suggested that we do not have the demonstration at the Council Meeting. It would be better if we can make time for the Council Member's to come in and receive a demonstration.

Action: *On a motion by Council Member Constantine and seconded by Council Member Carr **Tabling** the item to the February 2, 2011 City Council meeting. The motion passed by the following vote: Ayes: 5; Noes: 0; Absent: 0).*

City Council Action

PUBLIC HEARINGS:

20. DEVELOPMENT AGREEMENT APPLICATION DAA 05-01F: COCHRANE-MISSION RANCH

Recommended Action(s)

1. **Open/close** Public Hearing; and
2. **Waive** the first and second reading of the Development Agreement Ordinance; and
3. **Introduce** Development Agreement Ordinance (An Ordinance of the City Council of the City of Morgan Hill amending the Development Agreement for application MC-04-26: Cochrane-Mission Ranch by modifying the BMR reduction program dates, number of BMRs per phase and reducing the number of alternate garage placements to allow for the incorporation of visitability units (APNs 728-32-001, 002, 003 & 728-33-001).

Senior Planner Linder presented the staff report.

In response to Council Member Siebert regarding the parking; Senior Planner Linder stated that we may end up with five fewer garages.

Mayor Tate opened the public comment at 7:50 pm.

Dick Oliver commented that Bank of the West has opened the lending door again after three years of having no loans at all, and we have been able to get the second construction loan in the state and today we poured the first four foundations.

Hearing no further requests to speak, the public comment was closed at 7:52 pm.

Mayor Tate commented that this is an example of how convoluted our control system has become; this should be a goal to look at during the upcoming City Council Workshop.

Action: *On a motion by Council Member Carr and seconded by Council Member Siebert **Waiving** the first and second reading of Ordinance 2001. The motion passed by the following vote: Ayes: 5; Noes: 0; Absent: 0.*

Action: *On a motion by Council Member Carr and seconded by Council Member Siebert **Introducing** Ordinance No. 2001, an Ordinance of the City Council of the City of Morgan amending the development agreement for application MC-04-26: Cochrane-Mission Ranch. (Title read into record) The motion passed by the following vote: Ayes: 5; Noes: 0; Absent: 0.*

21. RESOLUTIONS AUTHORIZING THE SANTA CLARA COUNTY DEPARTMENT OF AGRICULTURE AND RESOURCE MANAGEMENT TO ABATE WEEDS

Recommended Action(s)

1. **Open/close** Public Hearing; and
2. **Adopt Resolution "A"** authorizing the Santa Clara County Department of Agriculture and Resource Management (Department) to abate weeds, excluding Assessor Parcel Numbers (APN) struck out of the attached list; and
3. **Adopt Resolution "B"** authorizing the Department to abate weeds for APN 767-21-014 and 767-21-045; and
4. **Adopt Resolution "C"** authorizing the Department to abate weeds for APN 728-02-003; and
5. **Adopt Resolution "D"** authorizing the Department to abate weeds for APN 726-24-019, 729-18-015, and 729-18-016.

Programs Administrator Eulo presented the staff report.

In response to Council Member Constantine regarding the April 1, 2011 deadline not being enough time past the rainy season; Moe Cumre stated that the dates are set based on a consultation with the Santa Clara County Fire Marshall. The Dates are set based on historical rainfall. He continued that they have to set a date for the worst property on a normal rainfall year. However we have provided an option to extend the deadline based on the rainfall. We will also work with any individual that feels that their property has special considerations. As long as people communicate with us we will work with them.

In response to Council Member Constantine asking is there is any way to ensure that the notification is received; Mr. Cumre stated that it is only sent through the mail and they cannot guarantee receipt because some property owners have abandoned property. The addresses we use are from the tax assessor's office. He continued that within the packet is a return reply form, we ask that they send that in. If they provide the form we have a way to contact them, if they do not return the form we may be forced to send a contractor out if they do not communicate with us.

Mayor Tate opened the public comment, hearing no requests to speak the public comment was closed.

Action: *On a motion by Council Member Constantine and seconded by Council Member Siebert **Adopting** Resolution 6386 "A", authorizing the Santa Clara County Department of Agriculture and Resource Management to abate weeds, excluding Assessor Parcel Numbers struck out of the attached list. The motion passed by the following vote: Ayes: 4; Noes: 0; Absent: 1 (Carr Recused).*

Action: *On a motion by Council Member Librers and seconded by Council Member Constantine **Adopting** Resolution 6387 "B", authorizing the Santa Clara County Department of Agriculture and Resource Management to abate weeds, excluding Assessor Parcel Numbers struck out of the attached list. The motion passed by the following vote: Ayes: 4; Noes: 0; Absent: 1 (Tate Recused).*

Action: *On a motion by Council Member Carr and seconded by Council Member Siebert **Adopting** Resolution 6388 "C", authorizing the Santa Clara County Department of Agriculture and Resource Management to abate weeds, excluding Assessor Parcel Numbers struck out of the attached list. The motion passed by the following vote: Ayes: 4; Noes: 0; Absent: 1 (Librers Recused).*

Action: *On a motion by Council Member Constantine and seconded by Council Member Carr **Adopting** Resolution 6389 "D", authorizing the Santa Clara County Department of Agriculture and Resource Management to abate weeds, excluding Assessor Parcel Numbers struck out of the attached list. The motion passed by the following vote: Ayes: 4; Noes: 0; Absent: 1 (Siebert Recused).*

Mayor Tate called recess at 8:01 p.m. and reconvened the meeting at 8:09 p.m.

22. **ADOPT ORDINANCE NO. 2000, NEW SERIES AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING TITLE 15 (BUILDING AND CONSTRUCTION) TO ADOPT BY REFERENCE THE 2010 CALIFORNIA STATE BUILDING STANDARDS CODE KNOWN AND DESIGNATED AS CALIFORNIA CODE OF REGULATIONS, TITLE 24 AND THE 2009 INTERNATIONAL PROPERTY MAINTENANCE CODE; AND TO AMEND, DELETE AND ADD CERTAIN OTHER BUILDING AND CONSTRUCTION STANDARDS**

Recommended Action(s):

1. **Open/Close** the Public Hearing; and
2. **Waive** the reading; and
3. **Adopt** Ordinance No. 2000, New Series; and
4. **Declare** that said Title, which appears on the Agenda, shall be determined to have been read by Title and further reading waived.

City Manager Tewes spoke to the supplement and that it is what was introduced.

Mayor Tate opened the Public Comment 8:08pm.

Dick Oliver spoke to the fire protection systems and the cost of installing those systems. He asked that the City of Morgan Hill opt out of this condition of the State Code. He feels that this requirement is excessive.

Hearing no further requests to speak, the public comment was closed at 8:12pm.

City Attorney Wan stated that the State adopts standards and it becomes the standard throughout the State. If a City makes finding that we need to change the standard code based on geological, climatic or topographical conditions, it may do so, however you can only do so to toughen the standard not lax the standards, he does not feel that we can do that.

In response to Council Member Librers asking if City Attorney was positive as to his previous answer; City Attorney Wan stated "yes".

Action: *On a motion by Council Member Carr and seconded by Council Member Constantine **Waiving** the first and second reading of Ordinance 2000. The motion passed by the following vote: Ayes: 5; Noes: 0; Absent: 0.*

Action: *On a motion by Council Member Carr and seconded by Council Member Siebert **Adopting** Ordinance No. 2000, an Ordinance of the City Council of the City of Morgan amending Title 15 (Building and Construction) to adopt by reference the 2010 California State Building Standards Code known and designated as California Code of Regulations, Title 24 and the 2009 International Property Maintenance Code; and to amend, delete and add certain other building and construction standards. (Title read into record). The motion passed by the following vote: Ayes: 5; Noes: 0; Absent: 0).*

Action: *On a motion by Council Member Carr and seconded by Council Member Siebert **Declaring** that said Title, which appears on the Agenda, shall be determined to have been read by Title and further reading waived. The motion passed by the following vote: Ayes: 5; Noes: 0; Absent: 0.*

City Council Action

OTHER BUSINESS:

23. **FISCAL YEAR 2010-11 BUDGET AND 5 YEAR FORECAST UPDATE**
Recommended Action(s): Receive updated budget and forecast projections.

Finance Manager Forbis presented the staff report.

In response to Council Member Carr regarding the revenue transfers in; Finance Manager Forbis stated that includes no general fund transfers, that is actual permits, revenue and plan checks. He continued that the reason you see a zero fund balance is because the general fund did loan them \$250,000 and since you can't have a negative fund balance we zero it out and it owes the general fund \$250,000 to be paid over the course of the next few years.

Finance Director Riper continued the staff report presentation.

In response to Council Member Siebert regarding the water and sewer funds; Finance Director Riper stated that they are hurting in terms of revenue due to water conservation. They are ok in terms of cash; however you may recall that we have a rate study on the table as there is not sufficient cash flow to fund capital for water and sewer.

City Manager Tewes continued the staff report presentation, specifically regarding the impact of the potential loss of the Redevelopment Agency.

No action taken.

City Council and Redevelopment Agency Action

OTHER BUSINESS:

24. **MONTEREY ROAD STREETSCAPE DESIGN CONCEPTS**
Recommended Action(s):
1. **Review** five alternatives and select one to three alternatives for further refinement; and
 2. **Authorize** the Executive Director to amend the agreement with Callander Associates in an amount not to exceed \$20,000 for additional services related to community outreach activities (e.g., meetings, materials) and retail analysis.

Business Assistance and Housing Services Director Toy presented the staff report.

Brian Fletcher with Callander Associates and Daniel Rubens with Fehr & Peers continued the staff report presentation.

In response to Council Member Carr regarding suggested alternatives and asking does it have to be the same for five blocks; Mr. Fletcher stated no, you could look at the proposed plans and specify where they would be most appropriate.

In response to Council Member Carr asking if that was something that was presented to the community for exploring; Mr. Fletcher stated just conceptually as we did here today.

In response to Council Member Constantine regarding construction and the businesses that will be open during construction; Mr. Fletcher commented that those details usually come out further along in the process. He continued that he recommends the same level of outreach during the construction document predation to implement strategies to limit the impact to the businesses. He stated that they also had the ability to phase the construction of the sidewalks as well, which allows the businesses access at all times during construction. He stated that they do not have a detailed strategy to mitigate impacts at this time.

In response to Mayor Tate regarding the as-is cost over half of the maximum cost; Mr. Fletcher stated that they are still anticipating significant impacts even if the City keeps the existing configuration. He continued that they are also looking at opportunities for improving the café spaces.

In response to Mayor Tate regarding the median use; Mr. Fletcher stated that it could be a range of things. A couple examples of activated medians are Santana Row with the retail kiosks and recreation space and the City of Buellton.

In response to Mayor Tate's questions of how much you could narrow the median and not lose any of the trees; Mr. Fletcher stated that they would absolutely have to study that. They have gone back and looked at how the median was constructed; he feels that you could not do a lot without removing the significant trees. He continued that it should be noted that not all of the trees have a healthy canopy; some of the trees could potentially be re-located. They have not gone tree by tree to study them yet.

Mayor Tate opened the public comment.

Dennis Kennedy spoke regarding downtown and the areas needing improvement. He encouraged Council to move forward with the Downtown Specific Plan.

Rocke Garcia spoke as a representative of Morgan Hill PBID (Property Based Improvement District). He stated that the PBID is in favor of adding grass and color to the medians and having the bus stops at either end of the downtown strip of Monterey Road as there is not sufficient space for bus pullouts. Letter received and filed.

In response to Council Member Siebert regarding the Little Llagas Creek issue; Mr. Garcia stated you have to know how wide and deep to make the culvert.

Jeff Burrus spoke as the Board Chair of the Morgan Hill Chamber of Commerce (Chamber). He spoke to the Chamber's concerns and research that they have performed. Letter received and filed.

Gloria Subocz spoke in favor of leaving things as they are. She spoke to Morgan Hill's uniqueness.

Bev Mercurio spoke of her attendance at the December 2nd workshop and a vote that was taken. She stated that 52 people voted, of the 52 votes 33 favored the four lane configuration.

Amber Lucas commented that she is excited at the possibility of more bicycle lanes through the downtown.

Jessie Thielen spoke on behalf of Barry Swenson Builder (BSB). She commented that it is paramount that four lanes be maintained downtown. BSB supports either options one or two.

Eric Wallace and Jorge Briones thanked the Mayor and Council on behalf of the Morgan Hill Downtown Association (MHDA). They spoke in support of option three and would like to try it on a trial basis for a year or more.

Mayor Tate asked if they were privy to BSB's recommendation; Mr. Wallace stated they were not aware of it. They went to each business owner to get their feel for it.

In response to Council Member Siebert regarding the need to re-route the buses, he asked about the trucks downtown; Mr. Briones stated that they don't see the trucks as an on-going issue.

City Manager Tewes stated that part of the road is not currently on the truck route.

Ramon Lopez spoke in favor of leaving it the way it is. He commented that we should wait to hear the State budget in June.

Marie Anderson spoke on behalf of Meacham Oppenheimer, Inc. Commercial Brokerage firm. She spoke to the complicated nature of selecting sites for retail businesses. She commented that they are not in favor of reducing lanes from four to two.

Frances Olson shared her concern of the reduction of lanes. She commented that there has been no discussion of emergency vehicles through downtown.

Frank Manocchio spoke to the amount of money invested into the property downtown and the rigorous process of selecting a qualified developer and the conflict of interest regarding the change in number of lanes. He continued that the City should hold on the project.

Pamala Meador spoke in favor of the four lane configuration and keeping the median the width that it currently is. She continued that she was in favor of the possibility of more outside dining.

Sally Casas spoke to the use of Monterey Road and that most people use it as a thoroughfare rather than stopping in downtown. She is in favor of the two lane option.

Marby Lee spoke in favor of four lanes. She commented that most people avoid downtown due to the lack of retail downtown.

Karen Parks spoke against leveling the median. She commented that the median is not what brings people to an area, it is the shops. She suggested having a theme downtown, possibly incorporating the wineries.

Hearing no further requests to speak the public comment was closed at 10:00pm.

City Manager Tewes concluded the staff report.

Council Member Constantine commented that the downtown business owners that he spoke to were split on whether to reduce the number of lanes or to have it remain at four lanes.

In response to Council Member Constantine asking for a rough time frame for getting feedback before starting construction; Mr. Fletcher stated a rough estimate would be probably at least a year to go into the detailed engineering and studies that would need to take place. He continued that it takes a lot of time and money, he concurs that the time to plan is now. He continued that from the year of planning it could take three months per block for construction.

Council Member Constantine commented that a consistent message from business owners was "please don't disrupt our businesses". He continued that he wants to make sure that we help the businesses not hurt them.

Council Member Libers concurred with Council Member Constantine, but she heard very little support for two lanes. She believes that we do need four lanes and we need to keep the existing businesses open as well as work to bring in new businesses. She continued that she feels that we need to listen to BSB; they know what they are doing. We also need to time this right. She supports four lanes and a minimum amount of change. She commented that she did not feel Santana Row was a viable comparison.

Council Member Carr thanked everyone for speaking tonight and sending their comments and stated that it is very helpful. He continued that from the beginning we have worked for community outreach and chose Callander Associates because they talked to us about that. They have gotten a lot of people informed about Morgan Hill and the Downtown. He commented that we do not want to affect businesses or downtown residences in a negative way and we need to be very concerned about that. One of the ways that we stay aware of that is how this project will become a concurrent process with sites "A" and "B" downtown; we cannot tear up downtown twice. He feels that we need to explore changes to the median at a minimum; that is one of the crucial elements for him. In the last ten years two or four lanes has been discussed several times. He is not in favor of removing trees and continued that we need to look at the median and how it affects the downtown. He is concerned about the comments that he has heard from the people that we have entrusted regarding the negative impacts to the businesses. It seems like we are limiting our possibilities by not listening to those opinions. We need to explore the opportunity for mixing downtown. If we are going to include a two lane option in the three we go ahead with tonight, he agrees that it only be done on a trial basis. He concluded that whatever we do needs to be done concurrently with the redevelopment of downtown.

Council Member Siebert spoke to "place" and the "elements of place". He commented that we have a unique community and we want it to be a special place. Perhaps we do not have to have a monolithic two or four lanes through downtown. He continued that he was intrigued by the idea of a trial which would allow us to try some different things with planter boxes and other things. He shared that four lanes are important. Public safety is important as well, and he is concerned that narrowing the road might have a significant adverse impact. He feels that we ought to narrow the decisions down, he would like to see at least two of the alternatives be four lane options. He shared that "mounding" is used to help with noise as it absorbs sound. He concluded that re-routing the buses around downtown could have a significant and positive impact on the quality in downtown.

Council Member Libers mentioned that they are not committed to select three, we can pick any number of options.

Mayor Tate commented that he is a little bit behind Dennis Kennedy and is interested in moving downtown, he appreciates his arguments. There was extensive outreach and that has cost us a lot of money, however there was not extensive public input. There was heated and passionate input and that input had a lot more influence because they were willing to speak. He hopes that those of you who have gotten involved go back to you neighbors and encourage participation by showing that the process really is working. He spoke in favor of doing one block at a time. We have a duty to our existing businesses, but we also have a duty to our future businesses and that we need to keep the traffic counts up. If you could get Morgan Hill to the point where people are coming here because it is such a draw and you need to keep four lanes to do that, then you can look at reducing to two lanes. He also agrees with a trial idea. In terms of the options, option number one has to remain in front of us. He really appreciates Mr. Carr suggesting options to play with different blocks. He would like to see a little variation, maybe a combination of options. The downtown merchants preferred option three. If we narrow it like that we will see better pros and cons as the outcome.

Council Member Siebert asked if we could craft that into a motion. He continued that he would like to explore options one and three and a hybrid option with some ideas that are a little different from what we have heard.

Council Member Constantine amended the motion by stating that leaving option one the same does not take care of the problem for sidewalk cafés, which is addressed in option two. Each option has disadvantages and one of the disadvantages of option two is removing the Third Street improvements which cost a significant amount of money. He asked that we include option two because it takes in account the widening of sidewalks.

Mayor Tate commented that Council Member Siebert's motion included an item that was a hybrid of option one that would allow for widening of sidewalks but not all the way through.

Council Member Constantine stated that he would like to see the sidewalk widening all the way through. He suggested that we move forward with options two, three and a hybrid.

Mayor Tate shared that he is leaning in the direction of four lanes however he agrees that we need to calm traffic and make it more bike friendly and safe. Right now it is not pleasant to dine outside with the vehicles racing by. In any option we choose we have to look at the safety and quieting it down.

Council Member Librers commented that if the median and sidewalks are widened in different areas that would require people to turn a bit and that would slow the traffic down. She continued that if we do something like that maybe we could get rid of the speed bump.

Council Member Carr also wants to find ways to widen the sidewalks. In exploring the hybrid option of options one, two and four, there are clear areas where we should be widening the sidewalks. He wants to make sure that we capture the need to widen sidewalks in certain areas.

Council Member Siebert commented that we should look at the project on a block by block basis and determine where we need to make certain improvements.

Council Member Librers asked if their decision tonight would affect the cost.

Mayor Tate confirmed that they still need the \$20,000.

City Manager Tewes would like clarification from the Council as to what is being mixed and matched. It would be a big challenge and costly if we were changing the lane configuration downtown.

Council Member Siebert shared that it would maintain four lanes through downtown but there may be a few places where the median bells out a couple of feet.

City Manager Tewes stated that for the reasons that Mr. Toy presented earlier we need the \$20,000 for continued public outreach.

Action: *On a motion by Council/Agency Member Siebert and seconded by Council/Agency Member Constantine **Selecting** alternatives one, three and a hybrid alternative allowing for sidewalk widening. The motion passed by the following vote: Ayes: 5; Noes: 0; Absent: 0.*

Council Member Librers asked in more detail how this \$20,000 would be spent; Business Assistance and Housing Director Toy stated that they modified the scope of work by about \$3,000 meaning for all of the community outreach to date we will not do something in the future. The \$3,000 modification took away from something, so we like to replace that. Moving forward there is about \$7,500 in reimbursable expenses and about \$9,500 additional for attendance at community meetings plus the component of possible retail analysis. We would only use it if we need it.

In response to Council Member Librers asking if the \$3,000 is money we owe them already; Business Assistance and Housing Director Toy stated that we modified the scope of work and kept it in the same contract. It is not additional money, we just wouldn't do one aspect of the scope of work in the future.

In response to Council Member Librers regarding the community outreach and the cost and whether City staff participates; Business Assistance and Housing Director Toy stated City staff participate and there is no cost for that. For the future community outreach the cost is for Brian's firm to attend future community outreach meetings that we feel are important that his firm attend. Moving forward with the scope we do not have anything in the contract for them to attend the Planning Commission and a meeting with the PBID. It also takes graphics to produce postcards and mailers. The funds are all Agency funds, none of it is from the General Fund.

Council Member Carr commented that we are invested in the project and we need to make sure that we do it right and continue the goal of community input.

Council Member Librers concurred with Council Member Carr and feels it is her responsibility to question any additional monies.

Action: *On a motion by Council/Agency Member Siebert and seconded by Council/Agency Member Carr **Authorizing** the Executive Director to amend the agreement with Callander Associates in an amount not to exceed \$20,000 for additional services related to community outreach activities (e.g., meetings, materials) and retail analysis. The motion passed by the following vote: Ayes: 5; Noes: 0; Absent: 0.*

Mayor Tate called recess at 10:36 p.m. and reconvened the meeting at 10:43 p.m.

City Council Action

OTHER BUSINESS:

26. SUSTAINABLE SENIOR SERVICES REPORT

Recommended Action(s): Receive the Sustainable Senior Services Committee Report.

Recreation and Community Services Director Rymer presented the staff report.

Chris Ghione with the Mount Madonna YMCA continued the staff report presentation.

Recreation and Community Services Director Rymer continued the staff report presentation.

Action: *On a motion by Council/Agency Member Constantine and seconded by Council/Agency Member Siebert **Extending** the Joint City Council and Redevelopment Agency meeting to 11:45pm. The motion passed by the following vote: Ayes: 5; Noes: 0; Absent: 0.*

Mayor Tate opened the public comment at 11:05 pm.

John Tarvin commented that he would like to find likeminded people to get the funds needed to restore the senior services. He spoke to the percentages that various cities spend on their senior programs;

Morgan Hill is just under 2/10th of one percent. Gilroy spends double the amount.

Hearing no further requests to speak, the public comment was closed at 11:08 pm.

Council Member Carr stated that we put together this committee and we have a report on sustainable senior services and the time for us to be considering this is at budget time.

Council Member Siebert thanked John, Linda and Susan for getting him up to speed and thanked the committee for their hard work. He advocated getting individuals involved either through volunteering or donations.

Mayor Tate stated that there is a line item called the membership in the senior center. That is an insurance policy for all of us. I believe it is \$25.00 a month.

Council Member Libers spoke to the process for becoming a member of the senior center. She spoke regarding the budget process last year and stated that senior services must be included in this year's budget. She asked the Mayor if this group will continue. Mayor Tate stated that they completed their goal but they are all going to stay on as augmented members. Council Member Libers committed to any fundraising that they want to do.

No action taken

25. **ADOPT RESOLUTIONS OPPOSING ELIMINATION OF REDEVELOPMENT AGENCIES**

Recommended Action(s):

1. **Adopt** Resolutions opposing the Governor's proposal to abolish redevelopment in California; and
2. **Authorize** City Council/Redevelopment Agency staff to communicate its opposition to this proposal to the Governor, the Legislature and citizens.

Assistant City Manager Little presented the staff report.

Mayor Tate opened the Public comment at 11:20 pm.

Jeff Burrus commented that this would have a huge negative impact on the Chamber of Commerce and the work they are doing in the community.

Frank Manocchio is opposed to this motion. The problems in the State have been building over twenty years and this money would go to other items that funds have been deferred from.

Hearing no further requests to speak the public comment was closed at 11:23 pm.

Council Member Siebert whole heartedly supports the resolution.

Action: *On a motion by Council/Agency Member Constantine and seconded by Council/Agency Member Siebert **Adopting** Resolutions 6390 and MHRA-328 opposing the Governor's proposal to abolish redevelopment in California and **Authorizing** the City Council/Redevelopment Agency staff to communicate its opposition to this proposal to the Governor, the Legislature and citizens. The motion passed by the following vote: Ayes: 5; Noes: 0; Absent: 0.*

27. ADVANCE AND REIMBURSEMENT AGREEMENTS BETWEEN THE MORGAN HILL REDEVELOPMENT AGENCY AND THE CITY OF MORGAN HILL

Recommended Action(s): Approve Resolution authorizing the City Manager to execute the Public Improvements Advance and Reimbursement Agreement and the Advance and Reimbursement of Administrative Overhead Expenses Agreement with the City.

Assistance City Manager Little presented the staff report.

City Manager Tewes spoke to the supplemental items.

City Attorney Wan spoke to the two agreements up for approval.

City Manager Tewes reinforced that we have entered into these kinds of agreements in the past and it is appropriate to do it now. He continued that the Governor's proposal is diabolically clever. He stated that if the RDA is abolished, from that day forward there will be no new redevelopment activities and it is not clear what would happen to the existing assets and liabilities of the redevelopment agencies. Some have been concerned that those assets would be swept away by the successor agency to buy down the debt.

Mayor Tate commented that other cities have gone beyond what you are proposing and have tried to protect the whole amount somehow.

City Manager Tewes shared that some agencies have taken additional steps and we would like to talk to you about those on Friday at the Budget Workshop and see if the Council has any interest in those but this is the standard agreement.

Mayor Tate opened the public comment at 11:34 pm. Hearing no requests to speak the public comment was closed.

Action: *On a motion by Council Member Carr and seconded by Council Member Librers Approving Resolution 6391 authorizing the City Manager to execute the Public Improvements Advance and Reimbursement Agreement and the Advance and Reimbursement of Administrative Overhead Expenses Agreement with the City. The motion passed by the following vote: Ayes: 5, Noes: 0, Absent: 0.*

Redevelopment Agency Action

OTHER BUSINESS:

28. ADVANCE AND REIMBURSEMENT AGREEMENTS BETWEEN THE MORGAN HILL REDEVELOPMENT AGENCY AND THE CITY OF MORGAN HILL

Recommended Action(s): Approve Resolution authorizing the Executive Director to execute the Public Improvements Advance and Reimbursement Agreement and the Advance and Reimbursement of Administrative Overhead Expenses Agreement with the City.

Mayor Tate opened the public comment at 11:36 pm. Hearing no requests to speak the public comment was closed.

Action: *On a motion by Agency Member Carr and seconded by Agency Member Constantine Approving Resolution MHRA-329 authorizing the Executive Director to execute the Public Improvements Advance and Reimbursement Agreement and the Advance and Reimbursement of Administrative Overhead Expenses Agreement with the City. The motion passed by the following vote: Ayes: 5, Noes: 0, Absent: 0.*

29. PURCHASE OF AQUATICS CENTER PROPERTY

Recommended Action(s):

1. **Adopt** Resolution which authorizes the Executive Director to do everything necessary and appropriate to exercise the option to purchase the Aquatics Center property and prepare and execute, subject to City Attorney review, all required documents for the purchase of the property; and
2. **Appropriate** up to \$1,900,000 which includes closing and escrow costs from Fund 317 to acquire the property.

Business Assistance and Housing Services Director Toy presented the staff report.

City Attorney Wan spoke to the supplement item.

Mayor Tate opened the public comment at 11:38 pm. Hearing no requests to speak the public comment was closed.

***Action:** On a motion by Agency Member Siebert and seconded by Agency Member Constantine **Adopting** Resolution MHRA-330 which authorizes the Executive Director to do everything necessary and appropriate to exercise the option to purchase the Aquatics Center property and prepare and execute, subject to City Attorney review, all required documents for the purchase of the property and **Appropriating** up to \$1,900,000 which includes closing and escrow costs from Fund 317 to acquire the property. The motion passed by the following vote: Ayes: 5; Noes: 0; Absent: 0*

FUTURE COUNCIL AGENCY-INITIATED AGENDA ITEMS:

None

ADJOURNMENT

There being no further business, Mayor/Chair Tate adjourned the meeting at 11:40 p.m.

MINUTES PREPARED BY:



MICHELLE WILSON, Minutes Clerk